Exhibit A

UNITED STATES BANKRUPTCY COURT DISTRICT OF DELAWARE

IN RE: . Case No. 00-3299

, 824 Market Street CORAM HEALTHCARE, . Wilmington, DE 19801

> Debtor, March 3, 2003 . . 9:30 A.M.

TRANSCRIPT OF TRUSTEE'S MOTION FOR AUTHORIZATION TO REJECT THE EXECUTORY CONTRACT OF DANIEL CROWLEY BEFORE THE HONORABLE MARY F. WALRATH UNITED STATES BANKRUPTCY COURT JUDGE

APPEARANCES:

Schnader Harrison Segal & Lewis, For the Trustee:

LLP

By: BARRY E. BRESSLER, ESQ. WILBUR KIPNES, ESQ. RICHARD BARKASY; ESQ. 1600 Market Street, Suite 3600 Philadelphia, PA 19103

Weir & Partners By: JOHN B. YORK, ESQ. 824 Market Street Mall, Suite 101 P.Q. Box 708 Wilmington, DE 19899

Office of the U.S. Trustee By: RICHARD SCHEPACARTER, ESQ. J. Caleb Boggs Federal Building 844 King Street, Lockbox 35 Wilmington, DE 19801

Audio Operator:

Jennifer M. Patone

Proceedings recorded by electronic sound recording, transcript produced by transcription service.

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Fax No. (609)587-3599 (609) 586-2311

Adams - Direct

A Oh, maybe a week or so after I was appointed. The first thing I did after I was appointed was to read carefully the opinions written by Her Honor relating to this matter, and then I called Mr. Crowley and arranged to go to Denver, told him I wanted to meet with him and his entire staff, and he set that meeting up. I forget the date, but it was some time in the latter part of March. And I wont out to Denver and talked with Mr. Crowley for, I don't know, two hours, maybe three hours, and then met with the entire staff, first collectively, but then I asked that I be given the opportunity to meet with each of the executive staff individual and on a private basis.

- 12 Q It is accurate that of the -- approximately the 2,100 employees that Coram has, about 100 are in Denver.
- 14 A About that.
- 15 Q But members of the senior executive were brought in from 16 elsewhere around the country to meet with you?
- 17 A They were, and there were approximately fifteen. I can't tell you precisely the number.
- 19 Q when you first met with Mr. Crowley was there any
 20 discussion of Her Honor's opinion or of his then current
 21 relationship with Cerberus?
- 22 A There was. Almost the first thing I did with Mr. Crowley
 23 was to ask him about the conflicts and that had been referred
 24 to in the opinions that I've just averted to, and he assured me
 25 that he had no further contractual relationship with Cerberus

Adams - Direct

except for the remaining claim under the contract for work that he had done prior to my appointment that had nothing to do with Coram, and I made it clear to him that he could not take any compensation from Cerberus for anything except that claim and that he could not spend any time that he would ordinarily be devoting to Coram in order to deal with any of the remaining Cerberus matters.

He gave me that assurance.

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Did he also discuss with you that that he still had some talking relationship with Cerberus?

He said from time to time Cerberus asked him to He did. 12 give his comments or opinions about matters that came to their attention, an I said, "Well, you could do that, but you have to 14 make sure that those matters could have nothing to do with Coram, couldn't be a competitive situation or anything of the sort," and the reason why I gave them -- him that opportunity, although I was mindful of the judge's concerns, was I knew he had a substantial claim against Cerberus, and I didn't want the do anything to prejudice that claim. I didn't think that was fair on my part.

And I knew that if I was going to succeed as a Trustee it was important to have a good relationship, not only with Mr. Crowley, but all of his people. And that's the style that I use in handling these matters. Somo people don't use that style. Mr. Levy, for example, uses a very confrontational

Adams - Redirect

THE COURT: Sustained.

BY MR. BRESSLER:

- Q What were your views as to the inquiry into the continued possible conflict?
- A I instructed you and your colleagues to be very attentive to that issue. I knew of the judge's position, and I had every intention to adhere very closely to that. And if I couldn't take care of the details, I expected you and your associates to 9 do so.
- 10 Q Have you seen anything in the documents and unsent drafts 11 that Mr. Levy has shown you that is not consistent with Mr.
- 12 Crowley's representation to you that he's no longer getting
- 13 paid by Cerberus?
- 14 A I have seen nothing. If I did, I would be upset about it and probably take steps.
- 16 Q What is the current level of authority that any of the
- 17 officers of Coram have to write checks or spend money without
- 18 your approval?
- 19 A I think the level is \$50,000. I approve everything above
- 20 -- from 50,000 up.
- 21 Q You don't have to know what services Mr. Crowley may have
- 22 been claiming monies from Cerberus for to know that he told you
- 23 they were not for Coram work; is that correct?
- 24 MR. LEVY: Objection, leading.
- 25 THE COURT: Overruled, but it could be clarified,

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Crowley - Redirect
        If Judge Walrath decides against that, then I'll decide
   what I want to do. I don't know what that is.
        Thanks a lot, Mr. Crowley.
             THE COURT: Any redirect?
             MR. KIPNES: Very briefly, Your Honor.
                         REDIRECT EXAMINATION
   BY MR. KIPNES:
        Mr. Crowley, would you turn to Equity Committee-8? Equity
   Committee 8.
        Yes, sir.
10
   Α
        The exhibit you marked is Equity Committee 8, the May 6,
11
   2002 draft. Would you turn to the third page.
12
        Yes.
13
   Α
        Let's establish that Mr. Schreiber wrote those words,
14
   Q
   correct?
        He wrote them.
16
   A
        When did you see them?
17
   Q
        Last week Mr. Schreiber showed them to me.
18
        What did you say to MR. Schreiber when you read the five
.19
   lines that appear on the third page of Equity Committee Exhibit
20
   8?
21
22
   A
         A verbatim response it not required.
23
   Q
         -- really --
   A
24
25
         Just what did you tell him?
    Q
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Crowley - Recross/Levy

A I was really angry. I -- this is bullshit. I'm sorry. I

2 apologize to the Court.

Q Did you have any conversation at that time with Mr. Schreiber about the accuracy of what appears on that page?

A I did.

6 Q And what did you say?

7 A This is absolutely wrong. It's not in context with that 8 meeting. None of this happened. Where in the hell did you get 9 this? And why am I looking at it a year later, an insert that 0 I've never seen before? What is this about?

Does Cerberus owe you any money in your view for any work

you have done at any time from the date of your birth to now

that has anything to do with Coram?

14 A Not a penny.

MR. KIPNES: No further questions.

RECROSS EXAMINATION

17 BY MR. LEVY:

15

16

18 Q Perhaps I misunderstood you, Mr. Crowley. I thought you
19 had testified that after you wrote the May 6 letter and
20 discussed it and the third page, Page 65, with Mr. Schreiber;
21 is that not your testimony?

A Mr. Levy, I told you I hadn't seen this thing in over a year, that the only time I've seen it since I thought it was thrown away, I sent it to my lawyer. I did Draft Two, was ready to send it. I cooled down the next day, in the trash in

Decision

19₿

THE COURT: Because the ramifications of my decision may have an impact on that.

MR. LEVY: Thank you very much, Your Honor.

THE COURT: All right?

We'll stand adjourned.

UNIDENTIFIED ATTORNEY: Thank you, Your Honor.

(Recording ends)

CERTIFICATION

I, Betsy Wolfo, certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter.

Betoy Wolfe

mar 9, 2003

Betsy Wolfe

hate

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Exhibit B

MUCH_{shelist-}

ATTORNIEYS AT LAW 191 N. WACKER DRIVE SUITE 1800 CHICAGO, IL 60606.1615

> ₹ 312.521.2000 **F** 312.521.2200

www.muchshelist.com

- DIRECT DIAL: 312.521.2699 jward@muchshelist.com

VIA FACSIMILE (212) 593-5955

Michael Cook Schulte Roth & Zabel, LLP 900 3rd Avenue New York, New York 10022

February 21, 2003

Re: Coram Healthcare Corp. et al.



Dear Mike:

This is to confirm my telephone conversation with you and Howard Godnick this morning in which you confirmed that you had checked with your client and with the documents in your possession and no version of the letter represented by documents CRX00063-65 or CRX00071-73 was ever received by your client and no copy of that letter or any version of it was received by your client or exists in the Cerberus documents in your possession.

As I informed you, we will be filing a motion to have the unsent drafts returned. It will be filed Monday, because Richard Levy has not yet responded to our request that he agree to return the documents voluntarily.

Sincerely,

John H. Ward

slw

Exhibit C

1			Page 1			Pa	ge 2
1		: <u>.</u>	_			· ·	ت
1 .		TED STATES DISTRICT		1	PRESENT:		
1	FOR THE	E DISTRICT OF DELAWA	RE	- 2		HARRISON, SEGAL & LEWIS, LLP	
1			•	l .		XICHARD A. BARKASY and	
	ARLIN M. ADAMS, Char	iter 11)		3		BARRY E. BRESSLER	
1	Trustee of the)		'4		Falls Corporate Park Drive East, Suite 200	
ı	Post-Confirmation	·)		"		7, New Jersey 08002-1165	
1	Bankruptcy Estates o			5	-	-5721 / FAX: (856) 482-6980	
	HEALTHCARE CORPORATI			1 .		barkasy@schnader.com	
1 .	Delaware Corporation			6		obressler@schnader.com	
	of CORAM, INC., a De	laware)		7		ared on behalf of Plaintiff Arlin M.	
1	Corporation,	,		'	• • •	, Chapter 11 Trustee of Coram Health	care
1	. 57-2-1266	ì		В		pration and Coram. Inc.:	
	'Plaintiff,	, , , , , , , , , , , , , , , , , , ,		9		NN NEST, LLP	
ı)) vin 04	1565		•	ELLIOT R. PETERS and ^	
	, vs.) No. 04-	7202 .	10		SARRETT A. LYNCH	
1	DANTEL O COOKEEN THE				710 Sanson	•	
1	DANIEL D. CROWLEY; E			11	San Franci	isco, California 94111	
1 .	J. AMARAL; WILLIAM 3					-5400 / FAX: (415) 397-7188	•
1	CASEY; L. PETER SMIT	in, allu)		12		epeters@kvn.com	
1	SANDRA L. SMOLEY,	,		1		lynch@kvn.com	
1	nof	. ,	•	13	·		
1	Defendants.	. ,			· appea	ared on behalf of Defendant	
	•	•		14	. Đani e	el Crowley.	
1	who are the state of the state of	and 'despectation of a		15	ALSO PRESENT:		
Ì		aped deposition of S	•	16		Witty, CLVS	
.	called by Plaintiff,			·	Thompson (Court Reporters	
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	District Courts pert	- ·		18			
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1	and Notary Public in	and the second of the second o		20	•	.•	
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1 '	EXAMINATION BY:					terminate employment agreement	•
4.	Mr. Barkasy		8, 178	4	•	between D. Crowley and Cerberus	
_	Mr. Peters		131, 200	1 2	•	5-21-2002 Bates No. CROWLEYKVN 001732 -	
5		EXHIBITS.		"		Bates No. CROWLEYKVN 001732 -	
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1	whether or not a lawyer that was an equity committee	1	for money, but he would receive \$2 million from Coram?
2	of Coram represented by a gentleman named Richard	2	A. \$2 million, plus releases.
3	Levy?	3	MR. BARKASY: Object.
4	A. Yes.	4	BY MR. PETERS:
5	Q. And were you aware as of the time that	s	Q. And then the next paragraph says that
б	you were negotiating this agreement, Schreiber 13,	6	"Dan will release the Trustee," and it goes on to say
7	whether Mr. Levy had on numerous occasions requested	7	"And the Trustee and debtors will in turn release Dan
8	that a lawsuit be filed against Steve Feinberg,	8	from all proposed derivative claims and any other
9	Dan Crowley, and others?	9	claims arising out of or related to such proposed
10	A. I was well aware of that, yes.	10	derivative claims that the Trustee, Coram, any
		11	subsidiary, or any committee or entities claiming
11	•	12	through them may have against Dan." Do you see that?
12	Mr. Bressler?	13	And was that a term that you negotiated
13	A. Yes.	14	with Mr. Bressler?
14	Q. Did you ever discuss that with	15	A. Yes.
15	Arlin Adams?	16	Q. And was the Trustee, as expressed by
16	A. No.	17	Mr. Bressler, willing to give Dan Crowley that broad
.17	Q. But you discussed it with withdrawn.	18	release?
18	When you discussed it with Mr. Bressler	19	A. Yes.
19	did you understand that Mr. Bressler was speaking on	20	MR. BARKASY: Object to form.
20	behalf of the Trustee, Mr. Adams?	21	BY MR. PETERS:
21	A. Yes.	1	•
22	Q. Now, under this agreement, under	22	Q. Did you understand that to be, in
23	Paragraph 1, is it a fair statement that Mr. Crowley	23'	essence, a promise not to sue Dan Crowley?
24	would give up certain claims that he had against Coram	24	A. Yes.
\vdash	Page 163		Page 164
1	MR. BARKASY: Object to form.	1	A. Yes
2	BY MR. PETERS:	2	Q. Did Mr. Bressler agree to do so on behalf
3	Q. Is this document well, what	3	of the Trustee?
4	understanding did you have based upon that language		A. Mr. Bressler, yes, entered into this
5	that the promise that was being made to Mr. Crowley in	. 5	letter agreement.
•	this document with respect to any further lawsuits	6	Q. who actually wrote Schreiber 13?
6	against him in the future?	,	A. Well, I think Mr. Bressler did, actually.
7		8	In fact, I am pretty certain he did.
8	MR. BARKASY: Object to form. There were	9.	Q. And then that signature at the bottom of
9	so many instructions not to answer as to his	10	the second page, that is Arlin Adams' signature?
10	understanding of things, that I have an objection to	11	A. Yes, I understand that is. I have never
11	questions related to what Mr. Schreiber's	12	seen him sign anything, but I understand that is his
12	understanding was.	13	signature.
13 .	MR. PETERS: Let me rephrase it then.	14	Q. And we are now here today in a lawsuit
14	BY MR. PETERS:	ľ	that Arlin Adams has brought against Dan Crowley?
15	Q. In this document did Arlin Adams agree	15	
16	not to sue Dan Crowley?	16	A. Yes.
•	MR. BARKASY: Object to form. Calls for	17	MR. PETERS: I am going to turn to a new
17		18	topic. Does anybody want to take five minutes or
17 18	a legal conclusion on behalf of Mr. Schreiber.	l	-b-u-l-l-un koon going?
	a legal conclusion on behalf of Mr. Schreiber. THE WITNESS: I think the letter speaks	19	should we keep going?
18		20	THE WITNESS: Go.
18 19	THE WITNESS: I think the letter speaks	20 21	THE WITNESS: Go. MR. PETERS: Is that okay with everybody?
18 19 20	THE WITNESS: I think the letter speaks for itself.	20 21 22	THE WITNESS: Go. MR. PETERS: Is that okay with everybody? MR. BARKASY: Yes.
19 20	THE WITNESS: I think the letter speaks for itself. BY MR. PETERS:	20 21 22 23	THE WITNESS: Go. MR. PETERS: Is that okay with everybody? MR. BARKASY: Yes. BY MR. PETERS:
18 19 20 21	THE WITNESS: I think the letter speaks for itself. BY MR. PETERS: Q. Was it significant in your negotiations	20 21 22	THE WITNESS: Go. MR. PETERS: Is that okay with everybody? MR. BARKASY: Yes.

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- 1 · Schreiber 15 and 16.
 - Α. Yes.

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- First of all, putting aside the question 3. Q. of waiver, did you have any doubt back in February of 2003 that these were both privileged?
- I had no doubt that these were Α. privileged.
 - · And do you know how they came to be Q. produced to the equity committee?
 - Α.
- Were you personally involved in that 11 Q. document production? 1'2
 - A.
- Why not? 14 Q.
 - Because on February 12th of '02 I filed five Chapter 11 bankruptcy cases in Chicago and sometime a couple of days later I filed three — two or three bankruptcy cases in Peoria, Chapter 11 cases. I had two huge mega cases going on simultaneously. I was working 20 hours a day on two Chapter 11s. And the document production request came in, I asked my partners, Mr. valiulis and Mr. Ward, to please handle this. I just couldn't find the time of day to go

- Page 166
- And do you have an understanding of what Q. happened and how these documents came to be produced?
 - They produced them, yes.
- And did they do so inadvertently? 0.
 - À. Certainly.
 - MR. BARKASY: Object to the form.
- BY MR. PETERS:

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- Q. Can you explain to us what your understanding is of how they came to be produced?
 - MR. BARKASY: Object to the form.
- THE WITNESS: Mr. Peters, I don't know how they came to be produced. All I know is that they
- were produced. And when I found out that they were produced I was shocked, floored, humiliated,
- embarrassed, angry, and I asked my partners how it was 15 that these were produced, and they told me that they
 - produced them by mistake.
 - BY MR. PETERS: · Q. It was a mistake and it shouldn't have
- 19 happened?
 - It should not have happened. . A.
- Did you request of the Trustee that he 0. return those documents?
 - yes. Well, I didn't, but Mr. Ward did.

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- .Fair enough. Let me rephrase the Q.
- question.

home.

- Was a request made to the Trustee to your
- knowledge that the documents be returned?
- Yes. I am sorry, I believe it was Mr. Ward, it might have been me, but there was a request made from someone in my firm to return these
- documents. What was the response of the equity Q Q.
- committee's lawyer. Mr. Levy? 10
- No, they would not return the documents. 11 MR. BARKASY: The questions I didn't 12
- object to them, the previous questions were directed 13
- towards demand to the Trustee to return the documents, your last question was Mr. Levy's response. So I --15
- MR. PETERS: You know what -- I think I 16
- meant to refer to the equity committee and I misspoke. 17 Let me go back. 18
- BY MR. PETERS: 19
- Were requests made by persons at Much, 20
- Shelist to the equity committee's lawyers that the 21 .
- 22 documents be returned?
 - Α.
 - And what was the response? Q.

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- No, they would not return these Α. documents.
- Did you -- were any discussions had with counsel for the Trustee about whether they would agree to return the documents?
 - I believe there were those discussions. Α.
 - what do you recall about those Q.
- discussions?
- Just recall that there were discussions and the Trustee's counsel agreed to return the
- documents.

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- Did the Trustee's counsel ever express to Q. you an opinion about whether or not those documents were privileged?
 - MR. BARKASY: Object to form.
 - THE WITNESS: I really don't recall.
- BY MR. PETERS: 17
- Do you recall discussing this issue with 10 Q. Mr. Bressler?
- MR. BARKASY: Object to form:
- THE WITNESS: No. I just don't recall. 21
- 22 BY MR. PETERS:
- was a motion prepared for the return of 23
 - these documents?

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this was discovered, and whether or not -- and I don't recall whether that conversation also included whether or not a motion like this should be filed.

BY MR. PETERS:

Do you recall either Mr. Bressler or Q. Mr. Kipnes suggesting to you that from a tactical standpoint in light of the upcoming motion hearing it would be a good idea not to file this motion?

MR. BARKASY: Objection to form. BY MR. PETERS:

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And that it would just create more Q. problems than it would solve?

MR. BARKASY: Object to form, no foundation.

THE WITNESS: You know, I can't recall specifically.

I will tell you that everything we did in connection to this matter was done in lockstep with the Trustee's counsel. But can I recall specific conversation, no.

But I will tell you that everything from the pleadings on the termination pay to this motion to the hearing was done where we were in lockstep with them and subordinate to them.

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BY MR. PETERS:

So based on your recollection of the 2 Q. working relationship that you had with the Trustee's counsel during this time period, do you have an understanding of whether you would have made a decision not to file this motion for return of the privileged documents without first consulting

Mr. Bressler and Mr. Kipnes? MR. BARKASY: Objection to form of the question.

THE WITNESS: I am certain we consulted with Mr. Bressler and Mr. Kipnes before we made a decision whether or not to file this motion, and I am certain that their opinion on that decision influenced our ultimate decision.

BY MR. PETERS:

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And when you say our ultimate decision, Q. you are referring to yourself and your partners at Much, Shelist?

If we did not file this motion it was because we did not think that they would support this and they believed it was good that we didn't file this motion. If we did file this motion it was because

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they believed we should file this motion.

Q. Now, the subpoena in connection with which these privileged documents were produced, was that served specifically in connection with this hearing to approve the agreements,

Schreiber 12 and 13?

I don't know if it was ultimately served that way or if it was narrowed down through subsequent conversations that Trustee's counsel, we Cerberus, and equity committee counsel all subsequently had.

And did you ever discuss with the Trustee's counsel whether you had a commonality of interest with the Trustee with respect to this March 3rd hearing?

I am not sure that we ever used those exact words, but we all agreed that we had a common interest in the outcome of this hearing and no one party would go it alone.

And at the hearing did the lawyers for the Trustee, meaning Mr. Bressler, Mr. Kipnes, did they take the lead at the hearing?

> MR. BARKASY: Objection to form. THE WITNESS: Yes.

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They not only took the lead, they ran the show. And whether they told me -- they never told me directly, but it was very clear that this was their show, this was their hearing. My client wasn't -- my client was just tangentially affected. This was their motion. This wasn't'my client's motion. BY MR. PETERS:

Mr. Crowley, we can see from the Q. transcript, testified at the hearing.

was he prepared to testify at the hearing by any lawyers?

A.

By whom?

By Mr. Ward, Mr. Bressler -- I don't know 14 if it was Mr. Bressler or Mr. Kipnes, but -- I guess 15 Mr. Bressler is shaking his head, it must have been 16 Mr. Kipnes, and Mr. Ward and I prepared Mr. Crowley 17 before the hearing. 3 B

In those meetings -- withdrawn. How long did those meetings last in which Mr. Crowley was prepared to testify?

Not as long as this deposition, but it Α. was a large part of a day.

.Who took the lead in those meetings?

Notary Public

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Exhibit D

IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

IN RE:

CORAM HEALTHCARE CORP. and CORAM, INC.,

Debtors.

Chapter 11 Case No. 00-3299 (MFW) and Case No. 00-3300 (MFW)

Jointly Administered

AFFIDAVIT OF DANIEL CROWLEY

Daniel Crowley, on oath, states as follows:

- 1. The two draft letters dated May 6 and May 8, 2002, which are numbered CRX00063 to CRX00065 and CRX00071 to CRX00073 were drafts prepared by me and submitted to my attorneys for legal advice.
- 2. Although the May 8 draft was signed by me, I submitted it to my attorneys for further legal advice before deciding whether to mail it. This is my not infrequent practice when dealing with legal matters.
- 3. Thereafter, I decided not to mail the letter and, to the best of my knowledge, neither it nor any version of it was ever sent or revealed to the addressee or anyone else other than my attorneys.
 - 4. I never intended that these documents be produced or otherwise disclosed.
- 5. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on February 18, 2003

Daniel Crowley

